

0965 California Industrial Development Financing Advisory Commission

The California Industrial Development Financing Advisory Commission (CIDFAC) creates employment opportunities and supports local economic development by approving local entities' issuance of Industrial Development Bonds (IDBs). The IDBs provide manufacturers with a low-cost financing option to build, expand, or equip their facilities in California. CIDFAC independently reviews IDB applications to ensure compliance with federal tax law and state statutes and regulations and approves the sale of IDBs by local authorities. Additionally, CIDFAC provides technical assistance to local issuers of IDBs, including cities, counties, industrial development authorities, and joint powers authorities.

The State Treasurer serves as chairperson of the CIDFAC. The other members are the Director of the Department of Finance, the State Controller, the Secretary of the Business, Transportation, and Housing Agency (or its successor), and the Commissioner of the Department of Corporations (or its successor).

3-YR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10	California Industrial Development Financing Advisory Commission	1.0	1.0	1.0	\$159	\$336	\$343
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		1.0	1.0	1.0	\$159	\$336	\$343
FUNDING					2011-12*	2012-13*	2013-14*
0215	Industrial Development Fund				\$34	\$261	\$268
0995	Reimbursements				125	75	75
TOTALS, EXPENDITURES, ALL FUNDS					\$159	\$336	\$343

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91574, Insurance Code Section 1192.

DETAILED BUDGET ADJUSTMENTS

		2012-13*			2013-14*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments							
Other Workload Budget Adjustments							
•	Employee Compensation Adjustments	\$-	-\$6	-	\$-	\$1	-
•	Retirement Rate Adjustment	-	3	-	-	3	-
Totals, Other Workload Budget Adjustments		\$-	-\$3	-	\$-	\$4	-
Totals, Workload Budget Adjustments		\$-	-\$3	-	\$-	\$4	-
Totals, Budget Adjustments		\$-	-\$3	-	\$-	\$4	-

PROGRAM DESCRIPTIONS

10 - CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the IDB Program, under which CIDFAC, as required by state law, serves as the mandatory approval agency for local IDB issuers. Once potential borrowers (manufacturers, processing companies, and knowledge-based businesses) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly those benefits associated with job creation, and determines whether these benefits will significantly outweigh any detrimental public effects. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds also can be used to cover the cost of architects, engineers, attorneys, permits, and the cost of bond issuance. In addition, bond proceeds can also be used to produce intangible products such as patents, copyrights, formulas, processes, designs, trademarks, and know-how. The local issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority.

Federal law authorizes the issuance of IDBs in local Empowerment Zone Bonds (EZ Bonds). CIDFAC's EZ Bond Program augments the benefits of the IDB Program to further support economic development in California's most distressed communities. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond Program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are five federally designated Empowerment Zones in California: Los Angeles, Santa Ana,

* Dollars in thousands, except in Salary Range.

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San Diego, Fresno and an unincorporated section of Riverside County. These communities received this federal designation based on their high unemployment and high poverty rates.

DETAILED EXPENDITURES BY PROGRAM

	2011-12*	2012-13*	2013-14*
PROGRAM REQUIREMENTS			
10 CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION			
State Operations:			
0215 Industrial Development Fund	\$34	\$261	\$268
0995 Reimbursements	125	75	75
Totals, State Operations	\$159	\$336	\$343
TOTALS, EXPENDITURES			
State Operations	159	336	343
Totals, Expenditures	\$159	\$336	\$343

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	1.0	1.0	1.0	\$109	\$105	\$111
Net Totals, Salaries and Wages	1.0	1.0	1.0	\$109	\$105	\$111
Staff Benefits	-	-	-	41	40	44
Totals, Personal Services	1.0	1.0	1.0	\$150	\$145	\$155
OPERATING EXPENSES AND EQUIPMENT				\$9	\$191	\$188
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$159	\$336	\$343

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0215 Industrial Development Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$258	\$264	\$268
Allocation for employee compensation	-	1	-
Adjustment per Section 3.60	1	3	-
Adjustment per Section 3.90	-2	-7	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-2	-	-
Totals Available	\$255	\$261	\$268
Unexpended balance, estimated savings	-221	-	-
TOTALS, EXPENDITURES	\$34	\$261	\$268
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	125	75	75
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$159	\$336	\$343

FUND CONDITION STATEMENTS

	2011-12*	2012-13*	2013-14*
0215 Industrial Development Fund^s			
BEGINNING BALANCE	\$25	\$4	\$56

* Dollars in thousands, except in Salary Range.

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	2011-12*	2012-13*	2013-14*
Prior year adjustments	<u>-2</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$23	\$4	\$56
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	<u>15</u>	<u>315</u>	<u>218</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$15</u>	<u>\$315</u>	<u>\$218</u>
Total Resources	\$38	\$319	\$274
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	34	261	268
8880 Financial Information System for California (State Operations)	<u>-</u>	<u>2</u>	<u>1</u>
Total Expenditures and Expenditure Adjustments	<u>\$34</u>	<u>\$263</u>	<u>\$269</u>
FUND BALANCE	\$4	\$56	\$5
Reserve for economic uncertainties	4	56	5

* Dollars in thousands, except in Salary Range.